

February 28, 2012

Dear CT State Legislators,

I am the owner of two package stores on the CT/MA border. Sunday sales will not be profitable for me. My customers inform me that they go MA on Sundays to buy cheaper gasoline - as well as cheaper alcohol. Most say they will continue to do so, even if CT package stores are open on Sundays. My sales will not offset the cost of being open.

Elimination of minimum pricing, and volume discounts along with opening up full liquor licenses to big box stores, will put almost all of the existing package stores out of business. Billion dollar entities like Wal-Mart, Home Depot and super sized grocery stores, will build stores to handle ten to twenty times the volume that are now prevalent in the majority of existing stores. The new landscape will be 100 to 200 super sized stores instead of the 1,200 package stores we have today.

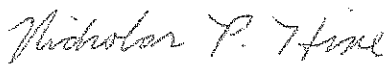
The medallion system is ludicrous. Current package store owners will be thrown under the bus. It will allow big-box stores to manipulate prices and force many, if not all, small-to-medium sized package store out of business. The first wave of medallion re-sales will come from package stores that are managed poorly, and on the verge of closing down. After a few hundred sell out, and the capital-rich entities set up their mega stores, there will be no demand to buy out the remaining medallions. The mostly middle class owners that are left will lose everything. Their stores will go to public auction. They will only get pennies on the dollar. This scenario will take place in virtually every town in CT several times. It will be almost impossible for these people to find an equivalent job, or any job, in the present economy. Many will need to go on unemployment, and when that runs out, they could be looking at food stamps, and government funded healthcare. They could even lose their homes in foreclosure as a direct result. Allowing this to happen is just not fiscally responsible. Thousands of jobs will be lost, while many less will be created. The big box stores will get the job done with fewer people, and lower pay scales. They will handle pallets with fork trucks, while the small stores stock their shelves by hand one bottle at a time.

The proposed regulation to let medallion purchasers open up anywhere, is a deadly blow. It would let the mega stores go into any town in CT, and annihilate the small business owners. They would have an open look at their painfully disadvantaged competition, and be allowed to put them out of business. Keep in mind that 90% of the existing stores will have to close their doors forever. When we initially set up our stores, we looked at the regulations in place and made our decisions accordingly - regulations that had been in place for many years. It is simply unfair to the many hard-working middle-class package store owners to allow an uneven playing field to be created.

I have read in the media that the consumer will benefit from these proposed regulations through lower prices. After the mega stores become established, and the existing competition is gone, does anyone think that they not raise their prices? With fewer stores throughout the state and greater distances between them, along with the highest gas prices in the country, they will raise their prices without consequence. They will not even be kept in check with internet sales, because of the highly regulated product being sold.

The whole agenda of proposed regulations would be a slam dunk for big box stores, super markets, and wealthy liquor store owners. It clearly would only benefit the wealthiest of the wealthy, while devastating the already struggling middle class worker. The American dream for most small store owners might be to buy a new car, or purchase a modest home. To pass the proposed regulations would close the door forever on thousands of those dreams while allowing a select few to buy a bigger yacht. What is in place now was developed over decades. Going to the proposed regulations would be a swift annihilation of the existing stores. Think of the pain, suffering, and humiliation these once proud small business owners will be forced to endure. Please, think of the many families that will be destroyed if House Bill No. 5021 were to pass. I implore our state legislators to vote "NO" on House Bill No. 5021.

Respectfully submitted,

  
Nicholas P. Hine, Owner  
Stafford Spirits Package Store and Hydeville Package Store